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October 15, 2004

Mary L. Cottrell, Secretary
Department of Telecommunication and Energy
One South Station, 2nd Floor
Boston, MA 02202

Re: Boston Edison Company, D.T.E. 04-68

Dear Secretary Cottrell:

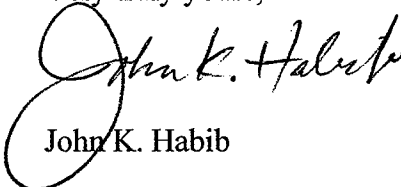
Enclosed please find the supplemental responses of Boston Edison Company d/b/a NSTAR Electric ("Boston Edison") to the following discovery questions asked by the Department of Telecommunications and Energy and the Attorney General in the above-referenced proceeding, as listed on the attached Discovery Log:

- Exhibit AG-1-12 (Att) (Supplemental)
- Exhibit AG-2-6 (Supplemental)
- Exhibit DTE-2-17 (Supplemental)
- Exhibit DTE-2-18 (Supplemental)

Copies of these supplemental responses were distributed at the October 14, 2004 evidentiary hearing in this proceeding. The attached copies are labeled as exhibits for ease of inclusion in the administrative record. I am also attaching an updated draft Exhibit List which includes references to each of these exhibits.

Thank you for your attention to this matter.

Very truly yours,



John K. Habib

Enclosures

cc: Service List
Joan Foster Evans, Hearing Officer (2)
Colleen McConnell, Assistant Attorney General (2)

LOG OF RESPONSES FILED

D.T.E. 04-68

October 15, 2004

Response	Status	Attachments
DTE-1-1	Filed October 4, 2004	Exhibits BEC-GOL-2 through 8 on CONFIDENTIAL CD-ROM
DTE-1-2	Filed October 4, 2004	
DTE-1-3	Filed October 5, 2004	Attachments DTE-1-3 (a) through (c), each CONFIDENTIAL . Attachment DTE-1-3 (d) BULK CONFIDENTIAL CD-ROM
DTE-1-4	Filed October 4, 2004	
DTE-1-5	Filed October 1, 2004	
DTE-1-6	Filed October 4, 2004	Attachment DTE-1-6 CONFIDENTIAL CD-ROM
DTE-1-7	Filed October 4, 2004	Attachment DTE-1-7 CONFIDENTIAL
DTE-1-8	Filed October 1, 2004	
DTE-1-9	Filed Sept. 28	
DTE-1-10	Filed October 1, 2004	Attachment DTE-1-10
DTE-1-11	Filed October 4, 2004	Attachment DTE-11 CONFIDENTIAL CD-ROM
DTE-1-12	Filed October 1, 2004	
DTE-1-13	Filed October 1, 2004	
DTE-1-14	Filed October 4, 2004	
DTE-1-15	Filed Sept. 28	
DTE-1-16	Filed Sept. 28	
DTE-1-17	Filed Sept. 28	
DTE-1-18	Filed Sept. 28	
DTE-1-19	Filed Sept. 28	
DTE-2-1	Filed October 7	
DTE-2-2	Filed October 8	
DTE-2-3	Filed October 7	
DTE-2-4	Filed October 8	Attachment DTE-2-4 CONFIDENTIAL
DTE-2-5	Filed October 8	
DTE-2-6	Filed October 8	Attachment DTE-2-6 (a) Attachment DTE-2-6 (b) CONFIDENTIAL CD-ROM
DTE-2-7	Filed October 7	
DTE-2-7 (REVISED)	Filed October 8	
DTE-2-8	Filed October 7	
DTE-2-9	Filed October 7	
DTE-2-10	Filed October 7	
DTE-2-11	Filed October 8	
DTE-2-12	Filed October 7	

Response	Status	Attachments
DTE-2-13	Filed October 7	Attachment DTE-2-13 CONFIDENTIAL CD-ROM
DTE-2-14	Filed October 7 CONFIDENTIAL	
DTE-2-15	Filed October 7	
DTE-2-16	Filed October 7	
DTE-2-17	Filed October 8	
DTE-2-17 (Supp)	Filed Herewith	
DTE-2-18	Filed October 8	
DTE-2-18 (Supp)	Filed Herewith	
DTE-2-19	Filed October 7	
DTE-2-20	Filed October 7	
DTE-2-21	Filed October 7	
DTE-2-22	Filed October 7	
DTE-2-23	Filed October 8	
DTE-2-24	Filed October 8	
DTE-2-25	Filed October 8	
DTE-2-26	Filed October 7	Attachment DTE 2-26 CONFIDENTIAL
DTE-2-27	Filed October 7	
DTE-2-28	Filed October 8	
DTE-2-29	Filed October 8	
DTE-2-30	Filed October 8	
AG-1-1	Filed October 1, 2004	Attachments AG-1-1(A) through (Q) BULK
AG-1-2	Filed Sept. 28	Attachments AG-1-2 (a) through (i) each CONFIDENTIAL
AG-1-3	Filed Sept. 28	Attachments AG-1-3(a) and (b), each CONFIDENTIAL
AG-1-4	Filed Sept. 28	Attachment AG-1-4
AG-1-5	Filed October 4, 2004	Attachments AG-1-5 (a) through (d), each CONFIDENTIAL Attachment AG-1-5 (e) CONFIDENTIAL CD-ROM
AG-1-6	Filed Sept. 28	
AG-1-7	Filed October 1, 2004	
AG-1-8	Filed Sept. 28	
AG-1-9	Filed Sept. 28	Attachment AG-1-9
AG-1-10	Filed Sept. 28	Attachment AG-1-10
AG-1-11	Filed Sept. 28	Attachments AG-1-11(a) and (b), each CONFIDENTIAL CD-ROM
AG-1-12	Filed Sept. 28 Filed Herewith	Attachment AG-1-12 Attachment AG-1-12 (Supp)
AG-1-13	Filed Sept. 28	Attachment AG-1-13
AG-1-14	Filed Sept. 28	Attachment AG-1-14 CONFIDENTIAL CD-ROM
AG-1-15	Filed Sept. 28	Attachments AG-1-15(a) and (b) each CONFIDENTIAL CD-ROM
AG-1-16	Filed Sept. 28	
AG-1-17	Filed Sept. 28	

Response	Status	Attachments
AG-1-18	Filed Sept. 28	
AG-1-19	Filed Sept. 28	Attachment AG-1-19
AG-1-20	Filed Sept. 28	Attachment AG-1-20
AG-1-21	Filed Sept. 28	
AG-1-22	Filed October 4, 2004	Attachment AG-1-22 CONFIDENTIAL CD-ROM
AG-1-23	Filed Sept. 28	
AG-1-24	Filed Sept. 28	
AG-1-25	Filed October 4, 2004	
AG-1-26	Filed October 4, 2004	Attachment AG-1-26 CONFIDENTIAL CD-ROM
AG-1-27	Filed October 4, 2004	
AG-1-28	Filed Sept. 28	
AG-1-29	Filed October 4, 2004	
AG-1-30	Filed October 4, 2004	Attachment AG-1-30 CONFIDENTIAL
AG-2-1	Filed October 4, 2004	Attachment AG 2-1 BULK
AG-2-2	Filed Sept. 28	
AG-2-3	Filed Sept. 28	
AG-2-4	Filed Sept. 28	
AG-2-5	Filed Sept. 28	Attachment AG-2-5 CONFIDENTIAL (CD-ROM)
AG-2-6	Filed October 1, 2004	
AG-2-6 (Supp)	Filed Herewith	
AG-2-7	Filed October 4	Attachments AG-2-7(A)and (B)
AG-2-8	Filed October 4	Attachments AG-2-8 (A), (B) and (C)
AG-2-9	Filed October 4	Attachments AG-2-9 (A, (B) and (C)
AG-2-10	Filed October 4	Attachment AG-2-10
AG-3-1	Filed October 7	Attachments AG-3-1(a) through (j)
AG-3-2	Filed October 7	
	Filed October 7	Attachments AG-3-1 (a) and (b), each CONFIDENTIAL
AG-3-3		Attachment AG-3-3 (c)
AG-3-4	Filed October 7	

Ocean State Power Unit 1

S:\SHARED\CONTRACTS\PPA Auction\OSP 1\Notes\040922 OSP 1 Annual Cost Analysis.xls\Summary

Year	Total KWHs	Total Fixed Capacity Costs	Total Fuel Commodity Charges	Gas Layoff Credit to Demand Charges	Total Operating Costs	BECO %	Total BECO Costs
1990	22,071,106	245,711	99,170	-	344,880	47.0%	162,094
1991	787,659,676	84,395,936	25,070,939	(1,706,435)	107,760,441	42.2%	45,472,746
1992	514,186,792	90,329,689	18,639,320	(617,147)	108,351,861	23.5%	25,462,687
1993	436,776,147	84,685,314	18,014,691	(3,220,453)	99,479,552	23.5%	23,377,695
1994	480,288,112	79,798,303	19,072,980	(642,520)	98,228,763	23.5%	23,083,759
1995	377,457,470	81,256,266	14,770,309	(2,725,817)	93,300,758	23.5%	21,925,678
1996	454,370,432	81,097,499	18,953,097	(2,487,287)	97,563,309	23.5%	22,927,378
1997	446,539,316	72,744,895	23,008,531	(3,389,134)	92,364,292	23.5%	21,705,609
1998	475,664,628	70,595,651	23,167,734	(1,341,403)	92,421,982	23.5%	21,719,166
1999	361,770,210	71,912,804	14,342,069	(8,690,929)	77,563,944	23.5%	18,227,527
2000	352,079,045	70,503,305	41,457,710	(26,613,446)	85,347,569	23.5%	20,056,679
2001	354,402,067	69,246,685	36,811,992	(16,573,935)	89,484,742	23.5%	21,028,914
2002	282,637,579	73,533,624	21,457,759	(13,667,295)	81,117,048	23.5%	19,062,506
2003	190,862,089	67,474,211	32,348,701	(22,244,911)	77,578,001	23.5%	18,230,830
2004	94,805,862	39,104,680	18,442,614	(15,860,917)	41,686,377	23.5%	9,796,299

Notes:

1990 - Unit in service in December only
2004 - Information is through July 2004 only.

D.T.E. 04-68
Exhibit No. AG-2-6 (Supplemental)
H.O.: Joan Foster Evans
Date: 10/14/04

NSTAR Electric
Department of Telecommunications and Energy
D.T.E. 04-68
Information Request: **AG-2-6 (Supplemental)**
October 14, 2004
Person Responsible: Robert B. Hevert
Page 1 of 1

Information Request AG-2-6

Please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the depreciation expense for each of the units.

Supplemental Response

The projected depreciation expense is based on proforma amounts provided in the OSP budget (see response to Information Request AG-1-15, Attachment AG-1-15(a) **(CONFIDENTIAL)**). Please refer to Article 7.4 of the Unit Power Agreement provided in Exhibit NSTAR-BEC-GOL-1 for the Seller's obligation to provide projects of capacity charges, fuel costs and generation.) In the case of depreciation expenses, please see Attachment AG-1-15(a), worksheet "OSP1 and OSP2", pages 5, 6 and 11 of 16 for the basis of the projected depreciation expense, and page 11 of the respective "OSP-1" and "OSP-2" worksheets for the depreciation expense projections.

As with all other components of the capacity and energy charges, the budgeted depreciation expense was compared to the terms of the PPA agreement (See article 7.3 for the defined calculation of the monthly capacity charge), to recent invoice amounts and in certain cases, to underlying source documents. In addition, CEA discussed the reasonableness of various forecast assumptions with the Company. As a result, certain cost projections, such as operating and maintenance expenses, and fuel commodity costs were adjusted to reflect reduced expense expectations and updated fuel commodity prices, respectively. Other items, such as site restoration expenses, were confirmed by reviewing source documents. (See response to Information Request AG-2-8.) In addition, the budgeted capacity costs were reduced by projected gas layoff credits, which were not included in the OSP budget. (See responses to Information Request AG-1-17 and Information Request AG-1-23.) Similarly, projected generation amounts (and the corresponding energy charge) were adjusted to reflect recent capacity factors and performance. Consequently, while the OSP budget served as the basis for the projected capacity and energy charges, it did not serve as the sole source of the contract cost forecasts. Specifically for depreciation, the Company compared OSP's forecast of depreciation expense against historical levels as reported by OSP in its FERC Form 1 to verify the reasonableness of the forecast.

D.T.E. 04-68
Exhibit No. DTE-2-17 (Supplemental)
H.O.: Joan Foster Evans
Date: 10/14/04

NSTAR Electric
Department of Telecommunications and Energy
D.T.E. 04-68
Information Request: DTE-2-17 (Supplemental)
October 14, 2004
Person Responsible: Robert B. Hevert
Page 1 of 1

Information Request DTE-2-17

Refer to CONFIDENTIAL AG-1-15(a) worksheets "OSP 1" and "OSP2." Please define and describe the "Availability Adjustment" and "Availability Bonus" and include cites to the Purchased Power contract, if applicable.

Supplemental Response

The Boston Edison Availability Adjustment is included in worksheets "OSP 1" and "OSP 2" pursuant to Section 7.7 of the power agreement, and as defined in Appendix F to the agreement. As specified in Appendix F, for months during which the Rolling Average Equivalent Availability Factor ("RAEAF") is greater than .80, the availability adjustment is calculated as follows:

$$\frac{RAEAF - TEAF}{100\%} \times \text{hours / month} \times \$5,460 \times \frac{\text{Current Net Investment}}{\$163,500,000}$$

Where TEAF = Target Equivalent Availability Factor (specified as 80%).

For months during which the RAEF is less than 80% (i.e., less than the TEAF) the availability adjustment is calculated as:

$$\frac{TEAF - RAEAF}{100\%} \times \text{hours / month} \times \$3,760 \times \frac{\text{Current Net Investment}}{\$163,500,000}$$

D.T.E. 04-68
Exhibit No. DTE-2-18 (Supplemental)
H.O.: Joan Foster Evans
Date: 10/14/04

NSTAR Electric
Department of Telecommunications and Energy
D.T.E. 04-68
Information Request: **DTE-2-18 (Supplemental)**
October 14, 2004
Person Responsible Robert R. Hevert:
Page 1 of 1

Information Request DTE-2-18

Refer to CONFIDENTIAL AG-1-15(a) worksheets "OSP 1," "OSP2," and "OSP 1 and OSP2." Please explain why a different inflation rate is used for these worksheets.

Supplemental Response

OSP has confirmed that the assumed inflation rate utilized in Cell U34 in Attachment AG-15(a) (**CONFIDENTIALCD-ROM**), worksheets, "*OSP 1*, *OSP 2*, and *OSP 1 and OSP 2*, should be 3.6 percent. The assumed inflation rate used for "OSP 1" was a typographical error made by OSP. If the inflation rate that OSP generally uses were inserted in the model, savings would increase by nearly 1 percentage point.

NSTAR ELECTRIC

Final Exhibit List

D.T.E. 04-68

October 15, 2004

EXHIBIT NUMBER
NSTAR-1
NSTAR-GOL
NSTAR-GOL-1
NSTAR-BEC-GOL-1
NSTAR-BEC-GOL-2
NSTAR-BEC-GOL-3
NSTAR-BEC-GOL-3 CONFIDENTIAL
NSTAR-BEC-GOL-4
NSTAR-BEC-GOL-4 CONFIDENTIAL
NSTAR-BEC-GOL-5
NSTAR-BEC-GOL-5 CONFIDENTIAL
NSTAR-BEC-GOL-6
NSTAR-BEC-GOL-6 CONFIDENTIAL
NSTAR-BEC-GOL-7
NSTAR-BEC-GOL-7 CONFIDENTIAL
NSTAR-BEC-GOL-8
NSTAR-BEC-GOL-8 CONFIDENTIAL
NSTAR-RBH
NSTAR-RBH-1
NSTAR-RBH-2
NSTAR-RBH-3
NSTAR-RBH-4
NSTAR-RBH-5
NSTAR-RBH-6
NSTAR-RBH-6 CONFIDENTIAL
DTE-1-1
DTE-1-1 (Att) CONFIDENTIAL CD-ROM
DTE-1-2
DTE-1-3
DTE-1-3 (a) (Att) CONFIDENTIAL
DTE-1-3 (b) (Att) CONFIDENTIAL

NSTAR ELECTRIC

Final Exhibit List

D.T.E. 04-68

October 15, 2004

DTE-1-3 (c) (Att) CONFIDENTIAL
DTE-1-3 (d) (Att) CONFIDENTIAL BULK
DTE-1-4
DTE-1-5
DTE-1-6
DTE-1-6 (Att) CONFIDENTIAL
DTE-1-7
DTE-1-7 (Att) CONFIDENTIAL
DTE-1-8
DTE-1-9
DTE-1-10
DTE-1-10 (Att)
DTE-1-11
DTE-1-11 (Att) CONFIDENTIAL
DTE-1-12
DTE-1-13
DTE-1-14
DTE-1-15
DTE-1-16
DTE-1-17
DTE-1-18
DTE-1-19
DTE-2-1
DTE-2-2
DTE-2-3
DTE-2-4
DTE-2-4 (Att) CONFIDENTIAL
DTE-2-5
DTE-2-6
DTE-2-6 (a) (Att)
DTE-2-6 (b) (Att) CONFIDENTIAL
DTE-2-7
DTE-2-7 (REVISED)
DTE-2-8
DTE-2-9
DTE-2-10

NSTAR ELECTRIC

Final Exhibit List

D.T.E. 04-68

October 15, 2004

DTE-2-11
DTE-2-12
DTE-2-13
DTE-2-13 (Att) CONFIDENTIAL CD-ROM
DTE-2-14 CONFIDENTIAL
DTE-2-15
DTE-2-16
DTE-2-17
DTE-2-17 (SUPP)
DTE-2-18
DTE-2-18 (SUPP)
DTE-2-19
DTE-2-20
DTE-2-21
DTE-2-22
DTE-2-23
DTE-2-24
DTE-2-25
DTE-2-26
DTE-2-26 (Att) CONFIDENTIAL
DTE-2-27
DTE-2-28
DTE-2-29
DTE-2-30
AG-1-1
AG-1-1 (a)(Att)
AG-1-1 (b)(Att)
AG-1-1 (c)(Att)
AG-1-1 (d)(Att)
AG-1-1 (e)(Att)
AG-1-1 (f)(Att)
AG-1-1 (g)(Att)
AG-1-1 (h)(Att)
AG-1-1 (i)(Att)
AG-1-1 (j)(Att)
AG-1-1 (k)(Att)

NSTAR ELECTRIC
Final Exhibit List
D.T.E. 04-68

October 15, 2004

AG-1-1 (l)(Att)
AG-1-1 (m)(Att)
AG-1-1 (n)(Att)
AG-1-1 (o)(Att)
AG-1-1 (p)(Att)
AG-1-1 (q)(Att)
AG-1-2
AG-1-2 (a) (Att) CONFIDENTIAL
AG-1-2 (b) (Att) CONFIDENTIAL
AG-1-2 (c) (Att) CONFIDENTIAL
AG-1-2 (d) (Att) CONFIDENTIAL
AG-1-2 (e) (Att) CONFIDENTIAL
AG-1-2 (f) (Att) CONFIDENTIAL
AG-1-2 (g) (Att) CONFIDENTIAL
AG-1-2 (h) (Att) CONFIDENTIAL
AG-1-2 (i) (Att) CONFIDENTIAL
AG-1-3
AG-1-3 (a) (Att) CONFIDENTIAL
AG-1-3 (b) (Att) CONFIDENTIAL
AG-1-4
AG-1-4 (Att)
AG-1-5
AG-1-5 (a) (Att) CONFIDENTIAL
AG-1-5 (b) (Att) CONFIDENTIAL
AG-1-5 (c) (Att) CONFIDENTIAL
AG-1-5 (d) (Att) CONFIDENTIAL
AG-1-5 (e) (Att) CONFIDENTIAL
AG-1-6
AG-1-7
AG-1-8
AG-1-9
AG-1-9 (Att)
AG-1-10
AG-1-10 (Att)
AG-1-11
AG-1-11 (a)(Att) CONFIDENTIAL

NSTAR ELECTRIC

Final Exhibit List

D.T.E. 04-68

October 15, 2004

AG-1-11 (b)(Att) CONFIDENTIAL
AG-1-12
AG-1-12 (Att)
AG-1-12 (Att) (SUPP)
AG-1-13
AG-1-13 (Att)
AG-1-14
AG-1-14 (Att) CONFIDENTIAL CD-ROM
AG-1-15
AG-1-15 (a) CONFIDENTIAL CD-ROM
AG-1-15 (b) CONFIDENTIAL CD-ROM
AG-1-16
AG-1-17
AG-1-18
AG-1-19
AG-1-19 (Att)
AG-1-20
AG-1-20 (Att)
AG-1-21
AG-1-22
AG-1-22 (Att) CONFIDENTIAL CD-ROM
AG-1-23
AG-1-24
AG-1-25
AG-1-26
AG-1-26 (Att) CONFIDENTIAL
AG-1-27
AG-1-28
AG-1-29
AG-1-30
AG-1-30 (Att) CONFIDENTIAL
AG-2-1
AG-2-1 (Att) BULK
AG-2-2
AG-2-3
AG-2-4

NSTAR ELECTRIC
Final Exhibit List
D.T.E. 04-68

October 15, 2004

AG-2-5
AG-2-5 CONFIDENTIAL CD-ROM
AG-2-6
AG-2-6 (SUPP)
AG-2-7
AG-2-7 (A) (Att)
AG-2-7 (B) (Att)
AG-2-8
AG-2-8 (A) (Att)
AG-2-8 (B) (Att)
AG-2-8 (C) (Att)
AG-2-9
AG-2-9 (A) (Att)
AG-2-9 (B) (Att)
AG-2-9 (C) (Att)
AG-2-10
AG-2-10 (Att)
AG-3-1
AG-3-1 (a) (Att)
AG-3-1 (b) (Att)
AG-3-1 (c) (Att)
AG-3-1 (d) (Att)
AG-3-1 (e) (Att)
AG-3-1 (f) (Att)
AG-3-1 (g) (Att)
AG-3-1 (h) (Att)
AG-3-1 (i) (Att)
AG-3-1 (j) (Att)
AG-3-2
AG-3-3
AG-3-3 (a) (Att) CONFIDENTIAL
AG-3-3 (b) (Att) CONFIDENTIAL
AG-3-3 (c) (Att)
AG-3-4